Proceedings of the Government of Mysore.

ORDER No. 4200-11—166, DATED BANGALORE, 23RD AUGUST 1889.

The Resolution of the Government of India No. 1945, dated the 4th December 1884 and Notification No. 1946 of the same date will be re-published in the *Mysore Gazette*, Part IV, "Official Papers."

2. The Government of His Highness the Maharaja resolve to issue the following—

NOTIFICATION No. 113.

"In exercise of the powers conferred by Section 8 of the Indian Stamp Act 1879, His Highness the Maharaja is pleased to remit the stamp duty payable under that Act on Debenture bonds issued by a Joint Stock Company under the terms of a Mortgage Deed, making over in whole or in part, the property of the Company to trustees for the benefit of the Debenture holders and on interest coupons attached to the said Debentures."

3. The above Notification cancels the adjudication made by the Deputy Commissioner of Bangalore and communicated to Mr. H. Hart, Agent of Messrs. Binny and Co., Bangalore Cotton, Woollen and Silk Mills Company in letter No. 588 R. dated 18th July 1889.

R. VIJAYINDRA RAO,
Chief Secretary.

No. 1945.

RESOLUTION—By the Government of India, Department of Finance and Commerce.

Read—

Letter from the Government of Bombay, No. 2518 of 22nd March 1884, forwarding a letter from Mr. S. A. Kittredge regarding the stamp duties and registration fees payable on debentures issued by Joint Stock Companies, and making certain recommendations thereon.

OBSERVATIONS.—It appears that Joint Stock Companies are now, in some cases, deterred by the expense involved under the provisions of the Stamp and Registration Acts from raising money by the issue of debentures under a deed of mortgage giving to the holders of the debentures a lien on the property of the Company. For the purpose of raising money in this way the Company would ordinarily—

(1) execute a mortgage deed making over their property to trustees for the benefit of the debenture holders,

(2) issue debentures under the terms of the trust deed.

Under the Indian Stamp Act, 1879, the mortgage or trust deed and each of the debentures would be liable separately to stamp duty. The mortgage or trust deed would be an instrument of which registration would be compulsory, and on which a registration fee would be payable. The debentures, containing a reference to real property as security, might also be held to require registration, and they would, as a precautionary measure, ordinarily be registered. Considerable expense is therefore involved in the issue of debentures of the kind described.

RESOLUTION.—With a view to reduce this expense, and to encourage investment by way of loan on the security of the property of Joint Stock Companies, the Governor General in Council has determined to exempt debentures of the kind above described and interest coupons attached thereto from stamp duty, the mortgage or trust deed remaining liable to stamp duty, and has issued a separate Notification for this purpose.

In regard to registration, His Excellency the Governor General in Council is of opinion that it is expedient that the mortgage or trust deed should continue subject to compulsory registration and to the usual registration fee. Regarding the registration of the debentures separate orders will be issued hereafter.

ORDERED, that a copy of this Resolution be forwarded to the Government of Bombay with reference to the letter read in the preamble, and to all other Local Governments and Administrations for information and guidance.

ORDERED also, that this Resolution be published in the *Gazette of India* for general information.

No. 1946.—In exercise of the powers conferred on him by Section 8 of the Indian Stamp Act, 1879, His Excellency the Governor General in Council is pleased to remit the stamp duty payable under that Act on debenture bonds issued by a Joint Stock Company under the terms of a mortgage deed, making over in whole or in part the property of the Company to trustees for the benefit of the debenture-holders, and on interest coupons attached to the said debentures.